

# OKLAHOMA TAX COMMISSION

## REVENUE IMPACT STATEMENT FIRST REGULAR SESSION, FIFTY-NINTH OKLAHOMA LEGISLATURE

**DATE OF IMPACT STATEMENT:** March 20, 2023

**BILL NUMBER:** HB 1333 **STATUS AND DATE OF BILL:** Engrossed 3/14/2023

**AUTHORS:** House Strom & Davis Senate Pemberton

**TAX TYPE(S):** Income Tax **SUBJECT:** Exemption

**PROPOSAL:** Amendatory

HB 1333 proposes to enact the *Senior Service Corps Act of 2023* by amending 68 O.S. § 2358 to exempt income earned by persons age 59 and older for part-time work as non-certified support staff in any public school in Oklahoma effective for tax year 2024 and subsequent tax years.

**EFFECTIVE DATE:** November 1, 2023

### REVENUE IMPACT:

Insert dollar amount (plus or minus) of the expected change in state revenues due to this proposed legislation.

FY 23: -0-

FY 24: Unknown potential decrease in income tax collections.

<u>Mar. 21, 2023</u>	<u>Rick Miller</u>	<u>mk</u>
DATE	DIVISION DIRECTOR	
<u>3/21/2023</u>	<u>Huan Gong</u>	
DATE	HUAN GONG, ECONOMIST	
<u>3/22/2023</u>	<u>Joseph P Gappa</u>	
DATE	FOR THE COMMISSION	

***The revenue impact provided herein is an estimate of the potential impact on the collection or apportionment of tax revenues affected by the proposed legislation. It is not intended to be an estimate of the overall fiscal impact on the state budget if the proposed legislation is enacted.***

**ATTACHMENT TO REVENUE IMPACT - HB 1333 [Engrossed] Prepared**  
**3/20/2023**

HB 1333 proposes to enact the *Senior Service Corps Act of 2023* by amending 68 O.S. § 2358 to exempt income earned by persons age 59 and older for part-time work as non-certified support staff in any public school in Oklahoma effective for tax year 2024 and subsequent tax years.

This measure proposes to enact a new category of individuals that are exempt from Oklahoma income tax. In order to qualify the individual must:

- be 59 years of age or older as of the date the first support services are performed
- receive or be eligible to receive distributions from any form of employer sponsored retirement plan, a pension plan, a defined contribution plan, Social Security benefits or any combination of such sources of benefits
- not perform full time employment for any other person or entity
- be hired on a part-time basis by a public school of this state to perform services, other than teaching or other service which requires a certificate pursuant to law, to support education and related functions of the school.

Support services include:

- assistance during customary arrival or departure times for the students each school day and associated with such arrivals or departures or both
- assistance during any meal period at the school
- assistance during a recess whether indoors or outdoors
- assistance with extracurricular activities such as athletic events, academic competitions and similar functions
- any form of lawful and authorized assistance as requested by the persons with supervisory responsibilities over employees at the school
- assistance provided to certified or non-certified personnel employed by the school or school district in the performance of duties or authorized functions of such personnel

It is unknown how many eligible taxpayers will qualify for this exemption; therefore, an unknown decrease in income tax collections is expected. It is likely that withholding tax payments would decrease in tax year 2024, so the initial impact is expected in FY24.